



**You are receiving this update because it contains important information about recent amendments to the OMERS Primary Pension Plan. Read below for details about the amendments, answers to commonly asked questions, as well as messages from OMERS leadership.**



## CONNECTING OUR COMMUNITY

COVID-19 has forced us all to live and work differently. Despite the challenges of this crisis,

stories of inspiration and hope have emerged. To help bring our community together, we wanted to share these uplifting stories along with some useful resources. That's why we've created OMERS Community, an online platform where you can access:

- Health & wellness resources and more
- Stories from our communities worldwide
- Virtual Coffee Chats with our volunteers

Visit [www.myomers.com/omers-community](http://www.myomers.com/omers-community) today to take advantage of everything the site has to offer. We'll be adding new content and resources in the coming weeks, so keep checking back for more!



## CONTINUING OUR RESPONSE TO COVID-19

### Your pension benefit

OMERS remains a defined benefit plan focused on paying predictable monthly income to its members in retirement. This has not changed, even with the current global pandemic situation. We hear your concerns related to current markets. We want to emphasize a key point – your OMERS pension is built for the long run.

You can be certain that OMERS team of expert investors worldwide has been taking specific measures over the last several years to help safeguard our portfolio as much as possible for events just like this one.

### FAQs

We are continually updating our COVID-19 FAQs at [www.omers.com/covid-19-update-members](http://www.omers.com/covid-19-update-members) to provide you with the most up-to-date information and resources available to you during this time. Please check back regularly for the latest on this evolving situation.

## Save the date!

### In-Conversation: OMERS Community panel discussion

Friday, September 11, 2020, 9 a.m. – 10 a.m. (EDT)

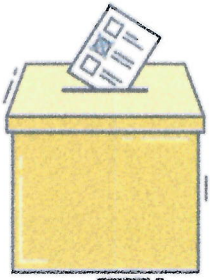
Join OMERS Community for a 1-hour virtual conversation with our Chief Medical Officer Dr. Aw and other thought-leaders in the health and public service sector. The panel will discuss the impact that COVID-19 has had on health and community, along with tips for how to take care of yourself and your community during this challenging time.

The panel will be moderated by Celine Chiovitti, Senior Vice President, Pension & Corporate Services.

Registration is now open. Please visit [www.omers.com/events](http://www.omers.com/events) to register for this event and others.



# SPONSORS CORPORATION PASSES PLAN AMENDMENTS



Following the 2020 Plan Review process, on June 24, 2020 the OMERS Sponsors Corporation Board (SC Board) approved five amendments to the OMERS Primary Pension Plan (Plan).

Every year, the SC Board reviews the health and viability of the Plan to ensure it remains sustainable, affordable and meaningful for the OMERS community. Based on the recent review, the SC Board approved the following amendments. The first three amendments were considered because of the exceptional circumstances presented by the COVID-19 pandemic and are effective immediately. The final two amendments were considered as a part of the annual Plan review and are not effective until January 1, 2023.



## Extending leave purchase deadlines

Extends the deadline to complete a leave purchase by one year for members who return from a leave of absence in 2020 or 2021 (i.e., extending to December 31, 2022, or December 31, 2023, depending on the return date). This change is effective immediately and will be implemented over the coming weeks.



## Reducing or eliminating the 36-month employment requirement for purchases of periods of reduced pay

Reduces or eliminates the 36-month employment requirement for purchases of periods of reduced pay, subject to changes to the *Income Tax Regulations*. On July 2, 2020 the Department of Finance released a draft regulation that proposes to amend the *Income Tax Regulations* to set aside the 36-month employment requirement for periods of reduced pay in 2020.



## Permitting temporary layoffs as purchasable service

Allows members to purchase credited service for periods of absence due to temporary layoff that were initiated in 2020 or 2021. The service can be purchased at two times contributions (member only). This change is effective immediately and will be implemented over the coming weeks.



# SPONSORS CORPORATION PASSES PLAN AMENDMENTS



## Non-full-time expansion

Removes the current eligibility requirement for non-full-time employees to join the Plan so that all non-full-time employees may elect to join the Plan at any time.

Enrolment in the Plan would take effect on the first day of the month after the employee's election is received and would remain in place as long as the member continues working with their current employer.

This change is effective January 1, 2023, which means that until then, the current eligibility requirement continues to apply. More information will be available closer to the implementation date.



## Shared Risk Indexing

Provides the option for the SC Board, based on its annual assessment of the Plan's health and viability, to reduce future inflation increases on benefits earned after December 31, 2022.

This change is effective January 1, 2023 and does not affect benefits earned before that date. This means that when you retire, the benefits earned on or before December 31, 2022 will be granted full indexation. Benefits earned on or after January 1, 2023 will be subject to Shared Risk Indexing, meaning that the level of indexation will depend on the SC Board's annual assessment of the financial health of the Plan.

More information will be available closer to the implementation date.

If you have any comments about this change, please email us at [OMERSfuture@omers.com](mailto:OMERSfuture@omers.com).

You may also send comments via mail to our office and the Chief Executive Officer of the Financial Services Regulatory Authority (FSRA) of Ontario.

### Our address:

900-100 Adelaide St W,  
Toronto, ON M5H 0E2  
Canada

### FSRA address:

5160 Yonge St, Suite 1600  
Toronto, ON M2N 6L9  
Canada

In addition to the amendments listed above, a minor housekeeping change to the Plan was made to align section references. This change does not impact Plan members.

Communication with respect to the administration of the non-full-time expansion and Shared Risk Indexing amendments, which are not effective until January 1, 2023, will be developed over the coming months well in advance of the implementation date.

For more information visit [omers.com](https://www.omers.com).

# OUR COMMITMENT TO PROTECTING YOUR PENSION

**At the OMERS Sponsors Corporation (SC), we are responsible for making sure OMERS can provide you with a secure pension and can continue to do so for generations to come. We do that by ensuring that benefit levels are meaningful, that contribution rates are affordable and that these objectives can be achieved on a sustainable basis. Not just for you, the current member, but also the future generations of Plan members that are vital to the long-term health and viability of our Plan.**

These issues factored heavily in the annual Plan change decision-making process that recently concluded, and which resulted in five changes to the Plan. A description of each of these changes is provided in the previous page of this mailing. The changes were made with the following objectives in mind:

1. To assist members who may be facing challenges as a result of the COVID-19 pandemic.
2. To give all employees the option of accessing a more secure retirement, regardless of whether they work full-time or other-than-full-time hours. We hope this change will lead to more members joining the Plan.
3. To provide a risk management tool that will allow us to better protect the health and viability of the Plan for the long term – we call it Shared Risk Indexing. This change will better position the Plan as it becomes more mature and has a much greater proportion of retired members than in the past.

Consultation is an important part of our decision-making process. That's why in February, prior to the pandemic, we launched the consultation period three months early. When the pandemic hit, we resolved to continue the process despite the challenges – the responsibility to protect your pension continues. The financial challenges brought on by the pandemic reinforced the need to adopt Shared Risk Indexing, and without delay. While it's too early to say whether additional changes will be needed because of the pandemic, rest assured that we will continue to monitor the situation closely and keep you informed once we have clarity.

Thank you to those of you who engaged with us throughout this year's decision-making process, despite the pandemic. Your input is important and always appreciated. Further, and as always, thank you for your commitment to the people and communities that you serve.

You will hear more from us about these changes as we approach the January 1, 2023 effective date.

Sincerely,

Michael Rolland

**CEO, OMERS Sponsors Corporation**



# OUR COMMITMENT TO PROTECTING YOUR PENSION

To provide more clarity to you, below is a list of some of the most commonly asked questions related to these changes.

**Q: I just recently heard about these changes. Who did the SC Board talk to before they made these decisions?**

A: Each year, we consider the health and viability of the Plan and whether any changes should be made to the Plan. This is part of our normal Plan Review process. Anyone can participate in that process and provide their input.

The consultation process included a dedicated website, several forums with stakeholder groups, and many one-on-one meetings with stakeholder groups. We also considered input from more than 20,000 individuals during the consultation process.

**Q: Why is Shared Risk Indexing necessary?**

A: As the Plan matures and has more retirees for each active member than its past, we need tools to protect the Plan against future risks. Shared Risk Indexing provides a tool to manage risks over the long term and allows sharing of those risks across a wider range of Plan members. This helps to reduce the potential impact to you and other Plan members.

You can read more about Plan maturity at [www.omerssc.com/preparing-for-the-future](http://www.omerssc.com/preparing-for-the-future).

**Q: Do other pension plans have Shared Risk Indexing?**

A: Yes, the approach is similar to that used by pension plans like Healthcare of Ontario Pension Plan (HOOPP) and Ontario Teachers' Pension Plan (OTPP) locally, and countless others across the country and globe. In fact, looking into OMERS history reveals we used a similar approach in the past.

**Q: What does "Shared Risk Indexing" mean for me?**

A: Shared Risk Indexing means that we will have the option to reduce inflation increases on service earned on or after January 1, 2023. This decision will be made annually, based on our assessment of the health and viability of the Plan. Service earned before January 1, 2023 will always receive 100% inflation indexing. The impact on you will depend on the amount of service that you earn on or after January 1, 2023 and the health and viability of the Plan during your retirement.

You can find more specific scenarios about the impact to members in the Frequently Asked Questions found at [www.omers.com/member-faqs#SharedRiskIndexing](http://www.omers.com/member-faqs#SharedRiskIndexing).

**Q: Under what circumstances will I not receive full indexation on my pension in the future?**

A: Any service earned before January 1, 2023 will always be protected by 100% inflation indexing. For service earned on or after that date, the only time you will receive less than 100% indexation on your pension will be if our Board reaches a two-thirds majority vote to provide less. We will revisit this assessment annually, based on the results of the annual valuation.

Once Shared Risk Indexing has been in place for many years, even a small reduction in indexing can have a meaningful impact on the Plan's financial health. Our Board will have the flexibility to not just turn indexing on or off, but to specifically tailor the amount of indexing provided, to the needs of the day.

You can learn more about how these decisions will be made at [www.omerssc.com/funding](http://www.omerssc.com/funding).



# OUR COMMITMENT TO PROTECTING YOUR PENSION

## Q: How will I know if my pension will be indexed?

A: We will keep you informed. Our decision-making process involves communication and consultation before a decision is made, and well before a change becomes effective. You can expect to hear more about this process in advance of the January 1, 2023 effective date.

## Q: I'm currently retired – does Shared Risk Indexing affect my pension?

A: No. You and all current retirees will continue to receive 100% inflation indexing on your pensions. Even if the SC Board votes to adjust indexation in the future, current retirees will continue to receive 100% inflation indexing.

## Q: I was temporarily laid-off earlier this year. Do these changes mean that I can now purchase service during my period of layoff?

A: Yes. If you are temporarily laid off in 2020 or 2021, you can purchase credited service for this period so long as your employment was not terminated, by you or your employer, before June 24, 2020. You will be required to pay both your contributions and your employer's contributions.

## Q: I work with some part-time employees who have not been allowed to join the Plan in the past. Are they now eligible to enrol in the Plan?

A: Yes. Effective January 1, 2023, all employees who work for an OMERS employer are eligible to enrol in the Plan.

## Q: How can I learn more about changes to the Plan?

A: There is more information available on our website, and details about these Plan changes are available at [www.omers.com/other-plan-changes](http://www.omers.com/other-plan-changes). Further communication with respect to the administration of these amendments will be developed over the coming months and will be posted on our website. If you have questions, you can also call our Member Services contact centre at +1 416.369.2444 or +1 800.387.0813, Monday to Friday between 8 a.m. and 5 p.m. (EDT) and a representative would be glad to help you.



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